

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6340

BILL NUMBER: SB 108

NOTE PREPARED: Nov 15, 2004

BILL AMENDED:

SUBJECT: Counterfeit Goods.

FIRST AUTHOR: Sen. Lawson C

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill makes manufacturing or distributing an item with a counterfeit label a Class A misdemeanor. The bill makes the offense a Class D or Class C felony in the case of repeat or large scale offenders. It provides for forfeiture of counterfeit items and other property used to facilitate the unlawful manufacture, distribution, or possession of the counterfeit items.

Effective Date: July 1, 2005.

Explanation of State Expenditures: This bill makes it a Class A misdemeanor to manufacture or distribute an item with a counterfeit label. The bill makes it a Class D felony offense if the person has one prior unrelated conviction (under the same statute section), or a Class C felony if the person has two or more prior unrelated convictions (under the same statute section).

A Class C felony is punishable by a prison term ranging from two to eight years (6 months to 3 years for a Class D felony) depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class C felony offenders is approximately two years, and about 10 months for a Class D felony.

Explanation of State Revenues: The maximum fine for a Class C or Class D felony is \$10,000. The maximum fine for a Class A misdemeanor is \$5,000. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would

increase. However, any additional revenue would likely be small.

Explanation of Local Expenditures: A Class A misdemeanor is punishable by up to one year in jail. If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

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